



NEWS

From County Supervisor Paul Biane

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FOR IMMEDIATE RELEASE

Sept. 13, 2006

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County Announces Lease Purchase Homebuyer Program

SAN BERNARDINO - Many prospective homebuyers stymied by credit problems or a lack of cash for a down payment can move into a new home immediately through a lease purchase program offered by the California Housing Opportunities Agency (CHOA).

San Bernardino County and the cities of Upland and Rancho Cucamonga formed CHOA in 2004 to create a new housing finance opportunity for people who want to buy homes in the County. The lease purchase program - a Freddie Mac initiative - allows qualifying homebuyers to lease a new home for three years before assuming loan payments.

Here's how it works. Pre-qualified buyers select an eligible property they wish to purchase. CHOA then negotiates with the seller to purchase the home. The buyer pays CHOA an administrative fee and the first month's lease payment

before the sale closes and then moves into the new home. During the lease period, CHOA will work with the buyer to ensure they are ready to take over the loan payments. The homebuyer education CHOA will provide includes financial and debt management counseling. Meanwhile, the buyer accrues equity in the home while making lease payments.

“The dramatic increase in property values in San Bernardino County has been a boon for homeowners, but it’s also priced many potential homebuyers out of the market,” said CHOA Board of Directors Chairman and San Bernardino County Second District Supervisor Paul Biane. “The lease purchase program will give low- and moderate-income residents the power to purchase so they can realize the American dream of homeownership.”

The income threshold to qualify for the program is set at 140% of the statewide median income or the area median income, whichever is greater. Currently, the limit for families with up to four people is \$89,740 or 140% of the statewide median income. Income limits for larger families are established by adding \$7,179 for each additional member. Buyers cannot have any real estate interests and must meet loan qualifications.

Eligible properties include new homes or existing single-family, detached residences, including one-unit attached town homes or condominiums. Manufactured homes, homes with no permanent foundations and cooperative units are not eligible.

Unlike other lease-purchase programs that are financed through bonds, CitiMortgage, Inc. has agreed to provide 100% of the finance for the CHOA program, including provide \$30 million for first mortgage financing. CitiMortgage will also provide funding for up to 5% of the sale price for closing costs, which will be secured under a second mortgage.

Potential buyers, lenders or real estate agents can call CHOA at (877) 949-9833 for more information about the lease purchase program.